

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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June 22, 2004

FROM: JAMES A. FELTEN, Public Health Director
Department of Public Health

**SUBJECT: AGREEMENT WITH ONTARIO-MONTCLAIR SCHOOL DISTRICT FOR
ADMINISTRATION OF MEDI-CAL ADMINISTRATIVE ACTIVITIES CLAIMS
PROCESSING**

RECOMMENDATION: Approve Agreement with the Ontario-Montclair School District for the administration of Medi-Cal Administrative Activities (MAA) claims processing for the period of September 1, 2001 through August 31, 2004 and annually thereafter.

BACKGROUND INFORMATION: This item recommends approval of an agreement through which the Department of Public Health (DPH) would process Medi-Cal Administrative Activities (MAA) claims on behalf of Ontario-Montclair School District.

On June 25, 2002, the Board approved an amendment to DPH's contract with the State to allow submission of school district claims for services beginning July 1, 2001.

The proposed agreement will permit State reimbursement to Ontario-Montclair School District through DPH for MAA services such as the referral of students/families for Medi-Cal eligibility determinations and coordination and monitoring of health services performed by the school district beginning September 1, 2001. The agreement is effective for a period of three years and will be automatically renewed each year thereafter, unless either party terminates it.

School districts may submit their claim plans and claims for Medi-Cal related services through the County Superintendent of School or DPH. Ontario Montclair School District is requesting that DPH provide these services for them. This service agreement is in the County's best interest as DPH receives 4% of the revenues claimed as an administrative fee for assisting the local school districts. This helps to reduce the County's costs for filing DPH's own claims with the State.

DPH is prepared to process MAA claims on behalf of Ontario-Montclair School District, and any other local school district that requests it. Under this agreement, DPH will perform only the administrative function of forwarding the claim plans and claims to the State. DPH is a "pass-through" agency for the purpose of claims and will retain four percent of the school claim as an administrative fee for this service.

This administrative fee will fund expenditures such as membership fees, office expenses associated with the preparation of claims, professional consulting services to train and update staff, and transportation and travel associated with conferences and meetings directly related to the administrative claiming process. Membership fees are fees charged per claim by the State. They represent a charge to filing agencies, based on the volume of claims submitted.

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REVIEW AND APPROVAL BY OTHERS: This agreement has been reviewed by County Counsel (Charles Larkin, Deputy County Counsel, (909) 387-4177) on June 4, 2004. This agreement has also been reviewed by the County Administrative Office (Beatriz Valdez, Administrative Analyst, (909) 388-0211) on June 10, 2004.

FINANCIAL IMPACT: Approval of this item will result in no local costs to the County. Expenditures are fully reimbursable through this contract. The revenue to be generated by this agreement will be distributed based on the estimated Ontario-Montclair School District's annual claims for three (3) years and the following percentage methodologies:

School District Reimbursement	96%
Administrative Fee (retained by County)	4%

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and concurs with the Department's proposal and recommends this action because revenues fully cover all costs associated with providing this service and partially offset County costs associated with filing DPH's Medical Administrative claims.

SUPERVISORIAL DISTRICT (S): All

PRESENTER: James A. Felten, Public Health Director, (909) 387-9146